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## Rural and Agri-Tourism in Central and Eastern Europe

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## **Chapter 15**

# **Rural and agri-tourism in Central and Eastern Europe**

**Frank McMahon**

### **BACKGROUND**

There are a number of factors on both the supply side and the demand side which are encouraging the development of rural tourism in Central and Eastern Europe and elsewhere.

On the supply side, the mechanisation of many farming activities and the increased productivity of land have reduced the need for agricultural labour. Thus, there are people available to provide rural tourism services. Secondly, there is a need for farmers to supplement their income through non-farming activities - one such activity is rural tourism. Finally, there is increased emphasis on the set-aside of land, i.e. its non-use for agricultural purposes. Such land is then available for rural tourism use.

On the demand side, there has been the phenomenal growth in tourism worldwide. The overall growth has been from 25 million tourist arrivals in 1950 to over 400 million arrivals per annum now. The growing awareness of the importance of environmental issues has led to an increased interest in holidays which are not damaging to the environment, and rural tourism holidays are seen as environmentally friendly. National governments, which have encouraged the growth of all inward tourism, now see particular benefits to encouraging rural tourism, partly because it is environmentally friendly, but also because it does not require such a large investment in infrastructure. Thirdly, it is attractive because it can lead to a good dispersal of income into regions which might otherwise be impoverished.

### **TOURISM ACTIVITIES IN CENTRAL AND EASTERN EUROPE**

The countries of Central and Eastern Europe are seeking to develop their tourism industries as are virtually all the countries of the world. Already, they are major participants in the world of tourism, and Poland, Hungary and the Czech Republic all figure high on the list of countries with the highest number of tourist arrivals.

Table 15.1 shows the number of arrivals in the top 20 countries in 1993.

**Table 15.1: International tourist arrivals 1993**

Country	Tourist Arrivals (millions)
France	60
United States	46
Spain	40
Italy	26
Hungary	23
United Kingdom	19
China	19
Austria	18
Poland	17
Mexico	17
Canada	15
Germany	14
Switzerland	12
Czech Republic	12
Greece	9
Hong Kong	9
Portugal	8
Malaysia	7
Turkey	6
Singapore	6

*Source:* World Tourism Organisation

Table 15.2 shows the average annual growth rate in the number of tourism arrivals in the period 1985-1993, showing that Poland and Hungary both grew at more than twice the world average.

**Table 15.2: Number of tourists**

Average Annual Growth Rate 1985 - 1993

	%
France	6.34
USA	7.65
Spain	4.83
Hungary	11.24
China	13.01
Austria	2.34
Poland	14.73
Germany	1.55
Ireland	6.95
World	5.77

The Czech Republic has not been included in Table 15.2 because of the complication of the split of the former Czechoslovakia during that period.

However, one area in which some Central European countries were not so successful was in regard to the average length of stay of tourists. Hungary, Poland, and the Czech Republic are well below France, Spain, Ireland or UK, as Table 15.3 shows.

**Table 15.3: Average length of stay in country, 1993**

	nights
France	7.2
Ireland	11.0
Portugal	17.0
Spain	9.0
Poland	4.6
Hungary	3.4
Czech Republic	2.8
UK	10.1

To encourage a longer stay, it is necessary to develop activities for tourists. Many such activities in Central Europe are likely to be in rural areas, hence the new emphasis on rural tourism. The fact that the vast majority of tourists arrive in Poland by car facilitates their dispersal to rural areas. Much of Central Europe is very well endowed with the natural amenities which appeal to tourists - the lakes, forests, mountains and attractive countryside. These features provide one, but only one, of the factors which assist the development of agri-tourism.

#### **FEATURES WHICH WORK FOR OR AGAINST TOURISM DEVELOPMENT IN POMERANIA**

At a workshop held in Slupsk, Poland, in March 1995, a discussion was held on the positive and negative factors affecting tourism development in that part of the country. The delegates, all Polish, who had been selected to take part in a project to develop agri-tourism in Pomerania, considered a list of features which might work for or against tourism development.

They selected five features which they believed worked in favour of tourism development:

1. number of tourists who visit Poland;
2. attractiveness of countryside, lakes and forests;
3. large number of Polish and German people who have origins in the area;
4. highways from Germany through the area;

5. ferries from Finland and Sweden to Gdansk.

However, there were 12 features which they saw as negative in the tourism development process:

1. availability of investment capital;
2. training of tourism staff;
3. availability of overnight accommodation;
4. high cost of borrowing where capital is available;
5. sign-posting and public telephones;
6. trains and buses from all parts of Poland;
7. level of co-ordination between central, regional and local efforts in regard to tourism;
8. tourism marketing services available;
9. attitude of rural people to tourism;
10. foreign language ability;
11. crime levels, especially car thefts;
12. co-operative marketing.

Other factors from the original list were left in the undecided category or agreement could not be reached.

Most of the features, whether positive or negative, are self-explanatory. But there are some features which require some elaboration:

### **Tourism marketing**

The perceived lack of co-ordination between central, regional and local efforts in regard to tourism and the poor view taken of the tourism marketing services may arise because of the way in which agri-tourism is being developed. The initiative to develop agri-tourism in Poland and in many other countries has come from the Ministry of Agriculture or other agricultural interests - it has not come from the Ministry of Tourism. Thus, agri-tourism is outside the responsibility of the Ministry of Tourism, the Tourist Board and other tourism bodies. There is sometimes a level of professional rivalry, of jealousy or of mutual suspicion between the tourism bodies and the agri-tourism bodies. To fully develop agri-tourism, it is necessary to move beyond this antipathy and to bring together the Tourism and Agricultural interests to co-operate in marketing and customer servicing.

### **Overnight accommodation**

Tourists on their way to and from Rural or agri-tourism holidays often need a stop over place. Western European tourists, who are being attracted to Central and Eastern European countries in growing numbers, expect a good standard of accommodation with en suite facilities. This is often not available.



The registration and grading of agri-tourism accommodation is not well developed in Poland. Much of the accommodation is not registered and is of a poor quality.

### **Taxation**

An important amendment to the income tax code in Poland was enacted in December 1994. Income earned by letting guest rooms in houses located in country areas, at farms, and income earned by serving meals to them, is free from income tax provided the number of rooms being let is not greater than five.

### **STEPS BEING TAKEN IN POLAND TO ENCOURAGE RURAL TOURISM**

- a. In October 1990 training courses in Alternative Enterprises were held under the auspices of the Agricultural Extension Services at Karniowice and Krakow, Poland.
- b. In March 1995, an agri-tourism Workshop, funded by the EU PHARE programme was held in Pomerania, Poland. The workshop was one element of a development project to include marketing support, training of farmers, study tours and accommodation development. Twelve selected rural tourism leaders participated in the programme. This project was carried out by Tourism Development International, an Irish consultancy company, in conjunction with the ODR's (Agricultural Advisory Services) in Pomerania.
- c. A major rural tourism project, funded by the EU PHARE programme will commence in Poland shortly. It has a budget of 3 million ECU, spread over three separate contracts. The major features of this project are:
  1. Master Plan
    - Preparation of a Master Plan for rural tourism for a ten year period.
    - Plan and set up a rural tourism organisation for Poland and help to fit it into existing systems.
    - Prepare a rural tourism Action Plan for a part of Poland.
    - Prepare and begin implementation of a rural tourism Marketing Campaign.
    - Identify and prepare business plans for the modernisation of one to three existing holiday centres.
  2. Activity and Interest Tourism in Rural Poland
    - Prepare action plans for five sectors (probably Equestrianism, Trails, Water-based Tourism, Rural Life Tourism and Nature-orientated Tourism).
    - There is also a specific requirement to assist the planning and setting up a marketing stand at the Poznan World Equestrian Championships.
    - Identifying and helping implement plans for three pilot schemes in each

- sector.
- Plan and assist the implementation of about three pilot projects in each area, e.g. with local authorities, create a trail, develop the use of a lake to increase sustainable water-based tourism with the probate sector to upgrade an equestrian centre, etc.
  - Help disseminate the knowledge gained.
3. Developing the Rural Accommodation Stock
- Review the existing categorisation, registration and inspection systems in Poland and overseas and make recommendations for a modern system for Poland.
  - Help establish an organisation to undertake this activity.
  - Provide training for trainers and operators of rural tourism accommodation.
  - Recommend how to market the accommodation and help establish a marketing campaign.
  - Recommend systems for business advice, funding, etc. for operators.
  - Identify the improvements to legislative, regulatory and tax systems needed to allow progress, recommend improvements and help make the case for them to the authorities.
  - Help disseminate the knowledge gained.

Expressions of interest were received in February 1995, and it is expected that the contracts will be awarded in the Autumn 1995.

### **The Czech Republic**

In the Czech Republic the EU PHARE Labour Market Restructuring Programme provided 8.5 million ECU to support the transition to a market economy. This programme had many objectives, including re-training programmes, one of which was to support the starting up of own businesses in agri-tourism. The emphasis was on the design of a training programme of 8 days duration and the production of training materials (course manuals, videos, etc.).

The contract was awarded to a company called Inpro Institut; they relied heavily on the expertise of the Tourism Department, University of Economics, Prague, to design the course material and deliver the first course. Experts involved included Jarmila Indrova, Head of the Tourism Department and her colleague, Dana Slamova (marketing expert). Two foreign experts from Dublin Institute of Technology were appointed to evaluate the project and report on its effectiveness. The recipients of the training in the pilot phase were equal numbers of farmers (potential agri-tourism operators) and potential trainers. However, the mixture of backgrounds did not work well. Apart from the problems of two non-compatible groups, the project was successfully carried out in early 1995; modifications were made to the programme and it will now be offered throughout the Czech Republic.

## Hungary

The Budapest College of Commerce, Hospitality and Tourism has taken a leading role in developing rural tourism in Hungary.

The emphasis has been on education and on the involvement of village and small town mayors in the development process.

An EU TEMPUS project, co-ordinated by the Budapest College, has been approved for funding for a three year period commencing September 1994. Partners include Colleges of Education in Hungary, Kempten (Germany), Huddersfield University (UK) and Dublin Institute of Technology, all of whom work under the co-ordinating influence of the Budapest College of Commerce, Hospitality and Tourism. Activities include long and short-term study visits by Hungarian students to EU Colleges (for example, two students are completing the one year Graduate Diploma in rural tourism at Dublin), short term visits by Hungarian Staff to the EU Colleges (typically two to four weeks), and the presentation of seminars in Hungary by experts from the West. A curriculum for rural tourism is being developed at the Teacher Training Colleges in Hungary; when finalised, the course will be offered widely throughout Hungary.

### Key steps to success

Studies of the development of rural tourism in the EU have led to the following conclusion of the steps necessary to achieve success:

- Identification of an area with physical and human potential.
- Completion of a resource audit by the community themselves and prioritising areas with potential for development.
- Training in leadership, community development and marketing.
- Co-operation and creation of strong linkages with funding, support and marketing agencies and bodies that can help.
- Planning and objective setting.
- Training in products expansion and development.
- Setting up of legal structures.

It would be impossible to over-emphasise the importance of community involvement in achieving success in rural tourism initiatives. All studies to date indicate that it is crucial that all the resources of a village or small town be harnessed to overcome the difficulty that individual rural tourism operators are usually small scale. Thus, they need support from each other to be able to offer an enticing package to prospective clients.

The separate approaches being taken in Poland, Hungary and the Czech Republic all include elements of the steps necessary for success; a comprehensive approach has not yet emerged in any one country but seems closest in Poland with the



implementation of the PHARE project.

Rural tourism was initially seen as a cheap form of tourism development because it did not involve a high level of investment - instead it utilised existing spare capacity in farm houses and small, unsophisticated restaurant facilities. However, today's tourists are increasingly seeking their creature comforts when on holidays - bedrooms must be of modern construction with en suite facilities, restaurants need to be well appointed, hygiene standards must be adequate, buildings must conform with fire and other safety requirements. All these attributes require substantial investment in facilities. In addition, effective marketing to a discerning international clientele requires a high level of expenditure. In the international market place, rural tourism is not such a cheap form of tourism as was earlier thought.